

ANTHONY D. WEINER

9TH DISTRICT, NEW YORK

COMMITTEE ON THE JUDICIARY

COMMITTEE ON
ENERGY AND COMMERCE

DEMOCRATIC WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3209

5/18/2010

1122 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6616

DISTRICT OFFICES:
80-02 KEW GARDENS ROAD
SUITE 5000
KEW GARDENS, NY 11415
(718) 520-9001

1800 SHEEPSHEAD BAY ROAD
BROOKLYN, NY 11235
(718) 743-0441

90-16 ROCKAWAY BEACH BOULEVARD
ROCKAWAY, NY 11693
(718) 318-9255

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission.
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

I am requesting that the Securities and Exchange Commission begin an investigation of "Goldline International". This coin and precious metal dealer grossly overcharges for its coins, falsely claims to offer "good" investments, its salespeople misrepresent their ability to give "investment advice," and the company has formed an unholy alliance with conservative pundits to drive a false narrative and play off public fears in order to sell its products.

Consumers need to be warned that "Goldline International" is a bad investment. According to a recent study by my office of 18 "Goldline International" coins, the average mark-up was 90% above the melt value of the coin. The largest markup was 208% on one of the coins. The same 18 products could also be found much cheaper on similar precious coin seller's websites. The average Goldline markup in comparison to the best price we could locate on their competitors websites was around 47%, going as high as 101% on one of the coins. Goldline International prices are much too high for clients to achieve a profit in their investments in a reasonable, timely way.

Popular commentators like Glenn Beck, Mike Huckabee, Fred Thompson, Dennis Miller, Mark Levin, Laura Ingraham, Lars Larson, Michael Smerconish, Monica Crowley are all either paid spokespersons for "Goldline International" or have programs sponsored by the company. The commentators encourage consumers to trust "Goldline International" in helping them to invest in gold, while "Goldline's International" Accountant Executives are not investment advisors and have no fiduciary responsibility to give customers the best advice.

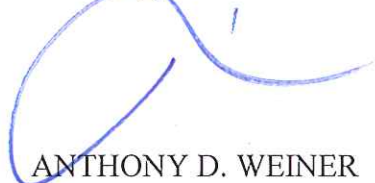
Even though "Goldline International" Account Executives are not licensed as "Investment Advisers", according to customer complaints, they sometimes do represent themselves as such, implying that they have some sort of fiduciary responsibility to get customers the most return on their investment. Online consumer complaint forums contain various examples of Goldline Account Executives giving inappropriate investment advice to their clients.

In 2006, the Missouri Secretary of State's Securities Division filed a formal consent order against "Goldline International" on behalf of an elderly investor. The Securities Division's investigation initially examined allegations of "Goldline International's" improper actions as an investment adviser, and also reviewed the investor's complaints over advice and ongoing interactions with the company. According to the order, the "Goldline International" Accountant Executive convinced the elderly investor that she should cash in her other investments and instead put her money into gold coins. Pursuant to the order, Goldline agreed to return over \$217,000 to the investor.

Americans are genuinely concerned about their financial futures, and rightfully so. But during troubling economic times it seems there is always someone ready to take advantage of the situation and profit from people's fears. The predatory policies of "Goldline International" are particularly dangerous as they seem to target first time and elderly investors. I believe an investigation by the Securities and Exchange Commission into the accusations listed above is necessary to protect consumers that want to use the services of "Goldline International".

I look forward to your prompt attention to this matter.

Sincerely,



ANTHONY D. WEINER
Member of Congress